



Reprinted
March 1, 2016

ENGROSSED HOUSE BILL No. 1386

DIGEST OF HB 1386 (Updated February 29, 2016 6:44 pm - DI 110)

Citations Affected: IC 7.1-2; IC 7.1-3; IC 7.1-4; IC 7.1-5; IC 7.1-7; IC 34-30.

Synopsis: Various alcohol, tobacco, and e-liquid matters. Allows, if certain conditions are met, the holder of a retailer permit that is issued for the premises of a hotel that is owned by an accredited college or university to sell or dispense, for on premise consumption only, alcoholic beverages from a: (1) nonpermanent bar that is located on; or (2) service window located on the licensed premises that opens to; an outside area or terrace that is contiguous to the main building of the licensed premises of the hotel. Allows the refilling of a bottle or container with a product from a farm winery. Allows the holder of an artisan distiller's permit to: (1) sell liquor for carryout on Sunday in a quantity at any one time of not more than four and five-tenths liters; and (2) with the approval of the alcohol and tobacco commission (commission), to participate in a trade show or an exposition for not more than 45 days in a calendar year. Clarifies that the holders of
(Continued next page)

Effective: Upon passage; July 1, 2016.

Dermody, GiaQuinta

(SENATE SPONSORS — ALTING, ARNOLD J)

January 13, 2016, read first time and referred to Committee on Public Policy.
January 28, 2016, amended, reported — Do Pass.
February 1, 2016, read second time, ordered engrossed. Engrossed.
February 2, 2016, read third time, passed. Yeas 86, nays 10.

SENATE ACTION

February 8, 2016, read first time and referred to Committee on Public Policy.
February 25, 2016, amended, reported favorably — Do Pass.
February 29, 2016, read second time, amended, ordered engrossed.

EH 1386—LS 7056/DI 110



artisan distiller's permits, microbrewery permits, and farm winery permits may participate with one another in a trade show or exposition. Adds violations of certain tobacco and cigarette laws to the list of laws for which the commission may investigate and enforce penalties. Allows the commission to: (1) investigate; (2) enforce penalties; and (3) suspend or revoke tobacco sales certificates for failing to pay a civil penalty; if a certificate holder sells or distributes tobacco products or electronic cigarettes at a location determined to be a public nuisance or at which conduct or acts that are prohibited under IC 35 occur. Allows an alcoholic beverage permittee (permittee) or employee of the permittee to retain a driver's license, identification card, or government issued document (ID card) that is provided as proof of age for making an alcoholic beverage purchase, if the permittee has: (1) received alcohol server training; and (2) a reasonable belief that the ID card has been altered, falsified, or was not issued to the person who provided the card. Establishes requirements concerning retaining an ID card. Provides that the permittee is immune from civil or criminal liability for retaining an ID card, unless the permittee obtains the ID card by using force against the person. Allows the commission to issue, if certain conditions are met, a temporary beer permit for a festival or event to a person who has held a brewer's permit for a microbrewery for at least three years and meets other requirements. Amends the definition of "hotel," for purposes of the alcoholic and tobacco laws, to allow a hotel to have at least 25 separate sleeping rooms under separate roofs if certain conditions are met. (Current law defines a hotel as having at least 25 separate sleeping rooms under one continuous roof.) Provides that the department of natural resources (department) may apply for a three-way permit for a state park. Provides that the commission shall issue a permit to the department for a state park without: (1) publication of notice or investigation before a local board; and (2) regard to quota provisions. Provides that an annual permit fee for a three-way permit for a state park is \$250. Allows the holder of a club permit to designate one or more days in each calendar month as guest days, not to exceed a total of four guest days in any calendar month (instead of one day each week). Provides that the holder of a three-way permit that is issued to a premises located at a facility used in connection with the operation of a paved track more than two miles in length may sell sealed bottles of liquor or wine for consumption off the licensed premises: (1) from one or more locations on the premises; and (2) on the date of the Indianapolis 500 Race in the 2016 calendar year from 7 a.m., prevailing local time, to 7 p.m., prevailing local time. Requires the: (1) holder of the three-way permit to disclose to the commission, at least 14 days before the Indianapolis 500 Race, that the holder intends to sell the bottles; and (2) bottles to be decorative bottles commemorating the one hundredth anniversary of the Indianapolis 500 Race. Provides that if a permit holder: (1) holds one-way, two-way, or three-way permits that are issued, without regard for quota restrictions, for certain premises; and (2) holds a permit for a microbrewery that is located on or adjacent to those premises; the permit holder may sell, at those premises, beer manufactured at the microbrewery. Adds one additional three-way permit to the number of three-way permits that the commission may issue to the proprietor of a restaurant within or not more than 1,500 feet from a motorsports investment district. Prohibits the commission from issuing a beer dealer's permit to a package liquor store unless the proprietor of the package liquor store satisfies Indiana resident ownership requirements. Amends the ownership residency requirements for the issuance of an alcoholic beverage dealer's permit to a corporation, limited partnership, or limited liability company for the premises of a package liquor store. Allows the commission to renew or transfer ownership of an alcoholic beverage dealer's permit of any type for the holder of a dealer's permit who: (1) held the permit for the premises of a package liquor store before January 1, 2016; and (2)

(Continued next page)



Digest Continued

does not qualify for the permit under the amended residency requirements. Allows the holder of a retailer's permit issued for the premises of a hotel or restaurant to temporarily amend floor plans to use a banquet or gathering space to sell or dispense alcoholic beverages from a temporary bar or service bar. Allows the commission to issue four new three-way permits to sell alcoholic beverages for on-premises consumption to applicants in Whitestown, Lebanon, Zionsville, Westfield, Carmel, and Fishers, with the total number of active permits issued not exceeding 24 permits at any time. Provides that the cost of the initial permits are \$40,000. Clarifies certain requirements regarding security firm requirements for e-liquid mixing, bottling, packaging, or selling.



Reprinted
March 1, 2016

Second Regular Session of the 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1386

A BILL FOR AN ACT to amend the Indiana Code concerning alcohol and tobacco.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 7.1-2-3-33 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 33. The commission is
3 authorized to:
4 (1) investigate a violation of; and
5 (2) enforce a penalty for a violation of;
6 IC 35-46-1-10, IC 35-46-1-10.2, **IC 35-46-1-11, IC 35-46-1-11.2,**
7 **IC 35-46-1-11.5, or IC 35-46-1-11.7, or IC 35-46-1-11.8.**
8 SECTION 2. IC 7.1-3-2-7, AS AMENDED BY P.L.144-2015,
9 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
10 JULY 1, 2016]: Sec. 7. The holder of a brewer's permit or an
11 out-of-state brewer holding either a primary source of supply permit or
12 an out-of-state brewer's permit may do the following:
13 (1) Manufacture beer.
14 (2) Place beer in containers or bottles.
15 (3) Transport beer.

EH 1386—LS 7056/DI 110



(4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.

(5) If the brewer manufactures, at all of the brewer's breweries located in Indiana, an aggregate of not more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may do the following:

(A) Sell and deliver a total of not more than thirty thousand (30,000) barrels of beer in a calendar year to a person holding a retailer or a dealer permit under this title. The total number of barrels of beer that the permit holder may sell and deliver under this clause in a calendar year may not exceed thirty thousand (30,000) barrels of beer.

(B) Be the proprietor of a restaurant.

(C) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant established under clause (B).

(D) Transfer beer directly from the brewery to the restaurant by means of:

(i) bulk containers; or

(ii) a continuous flow system.

(E) Install a window between the brewery and an adjacent restaurant that allows the public and the permittee to view both premises.

(F) Install a doorway or other opening between the brewery and an adjacent restaurant that provides the public and the permittee with access to both premises.

(G) Sell the brewery's beer by the glass for consumption on the premises. Brewers permitted to sell beer by the glass under this clause must make food available for consumption on the premises. A brewer may comply with the requirements of this clause by doing any of the following:

(i) Allowing a vehicle of transportation that is a food establishment (as defined in IC 16-18-2-137) to serve food near the brewer's licensed premises.

(ii) Placing menus in the brewer's premises of restaurants that will deliver food to the brewery.

(iii) Providing food prepared at the brewery.

(H) Sell and deliver beer to a consumer at the permit premises of the brewer or at the residence of the consumer. The delivery to a consumer may be made only in a quantity at any one (1) time of not more than one-half (1/2) barrel, but the beer may be contained in bottles or other permissible containers.



(I) Sell the brewery's beer as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than five hundred seventy-six (576) ounces. A brewer's beer may be sold under this clause at any address for which the brewer holds a brewer's permit issued under this chapter if the address is located within the same city boundaries in which the beer was manufactured.

(J) With the approval of the commission, participate:

(i) individually; or

(ii) with other permit holders under this chapter, **holders of artisan distiller's permits, holders of farm winery permits, or any combination of holders described in this item;**

in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant to a holder of a permit under this chapter approval under this clause to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.

(K) Store or condition beer in a secure building that is:

(i) separate from the brewery; and

(ii) owned or leased by the permit holder.

A brewer may not sell or transfer beer directly to a permittee or consumer from a building described in this clause.

(6) If the brewer's brewery manufactures more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may own a portion of the corporate stock of another brewery that:

(A) is located in the same county as the brewer's brewery;

(B) manufactures less than ninety thousand (90,000) barrels of beer in a calendar year; and

(C) is the proprietor of a restaurant that operates under subdivision (5).

(7) Provide complimentary samples of beer that are:

(A) produced by the brewer; and

(B) offered to consumers for consumption on the brewer's premises.

(8) Own a portion of the corporate stock of a sports corporation that:

(A) manages a minor league baseball stadium located in the same county as the brewer's brewery; and

(B) holds a beer retailer's permit, a wine retailer's permit, or a



liquor retailer's permit for a restaurant located in that stadium.

(9) For beer described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the beer on the licensed premises; and

(B) may not sell, offer to sell, or allow sale of the beer on the licensed premises.

SECTION 3. IC 7.1-3-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a) As used in this section, "proprietor of a package liquor store" means the person that:**

(1) holds the financial investment in; and

(2) exercises the financial and operational oversight of; a package liquor store.

~~(a)~~ **(b)** The commission may issue a beer dealer's permit only to an applicant who is the proprietor of a drug store, grocery store, or package liquor store.

~~(b)~~ **(c)** Subject to subsection (d), the commission may issue a beer dealer's permit to an applicant that is a foreign corporation if:

(1) the applicant is duly admitted to do business in Indiana;

(2) the sale of beer is within the applicant's corporate powers; and

(3) the applicant is otherwise qualified under this title.

(d) Except as provided under IC 7.1-3-21-5.6, the commission may issue a beer dealer's permit under subsection (c) for the premises of a package liquor store only if the proprietor of the package liquor store satisfies the Indiana resident ownership requirements described in IC 7.1-3-21-5(b), IC 7.1-3-21-5.2(b), or IC 7.1-3-21-5.4(b).

~~(e)~~ **(e)** The commission shall not issue a beer dealer's permit to a person who is disqualified under the special disqualifications. However, the special disqualification listed in IC 7.1-3-4-2(a)(13) shall not apply to an applicant for a beer dealer's permit.

~~(d)~~ **(f)** Notwithstanding subsection ~~(a)~~, **(b)**, the commission may renew a beer dealer's permit for an applicant who:

(1) held a permit before July 1, 1997; and

(2) is the proprietor of a confectionery or a store that:

(A) is not a drug store, grocery store, or package liquor store;

(B) is in good repute; and

(C) in the judgment of the commission, deals in merchandise that is not incompatible with the sale of beer.

SECTION 4. IC 7.1-3-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 2. ~~Persons Eligible for Permits.~~ The commission may issue a temporary beer permit to a



person who is qualified to hold a beer retailer's permit and who has such other qualifications as the commission may prescribe by a provisional order until it adopts a rule or regulation on the matter. However, the special disqualifications listed in ~~IC 1971, 7.1-3-4-2(c), (h), and (m);~~ **IC 7.1-3-4-2(a)(3), IC 7.1-3-4-2(a)(8), and IC 7.1-3-4-2(a)(13)**, and the residency requirements provided in ~~IC 1971, IC 7.1-3-21-3~~, shall not apply to an applicant for a temporary beer permit.

SECTION 5. IC 7.1-3-6-3.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3.6. (a) This section applies to a temporary beer permit for the sale of beer in a town park in a town having a population of less than ten thousand (10,000).

(b) The commission may not issue a temporary beer permit to a person unless:

(1) the person meets all of the requirements for a temporary beer permit under: ~~this chapter~~

(A) sections 1 through 3 of this chapter; or

(B) section 3.8 of this chapter; and

(2) the town council:

(A) holds a public hearing on the request for a permit; and

(B) approves the issuance of the temporary beer permit.

(c) If a person asks a town council to approve the issuance of a temporary beer permit, the town clerk-treasurer shall notify the commission of the town council's decision to approve or disapprove the permit not later than thirty (30) days after the person's request for approval.

(d) If a person who applies for a temporary beer permit from the commission demonstrates to the satisfaction of the commission that no action was taken on the person's request by the town council under subsection (c), the commission shall consider the request to be approved by the town council.

SECTION 6. IC 7.1-3-6-3.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 3.8. (a) Notwithstanding any other provision in this chapter, the commission may issue a temporary beer permit if all the following apply:**

(1) The temporary beer permit is issued for a festival or event that meets all the following:

(A) The festival or event promotes, at least in part, beer manufactured at a brewery described in IC 7.1-3-2-7(5).

(B) The anticipated attendance of the festival or event is at least seven thousand five hundred (7,500) people.



(C) Adequate security measures will be provided at the festival or event.

(D) Individuals less than twenty-one (21) years of age will not be allowed to attend the festival or event.

(2) The applicant for the temporary beer permit:

(A) has held a brewer's permit for a brewery described in IC 7.1-3-2-7(5) for at least three (3) years; and

(B) pays an application fee to the commission of two thousand five hundred dollars (\$2,500).

(b) The commission may issue a temporary beer permit only for an area at a festival or event that is enclosed by fencing, barricades, or structures. The area may be an outside area that is contiguous to a brewery described in IC 7.1-3-2-7(5) or restaurant or at another location that is not on or near the premises of a brewery or restaurant.

(c) The commission may issue a temporary beer permit under this section for a term, up to and including, three (3) days from its issuance.

(d) The commission may not issue a temporary beer permit under this section to any one (1) person more than two (2) times in a calendar year.

(e) Notwithstanding any other provision of this title, the holder of the temporary beer permit may allow an individual who attends the festival or event to carry beer, in a quantity that does not exceed a total of two hundred eighty-eight (288) ounces, into the permitted area. Beer carried in to a festival or event under this subsection may be consumed or traded only in the permitted area.

(f) An individual who attends the festival or event may carry out beer in sealed, unopened containers from the temporary beer permit area.

SECTION 7. IC 7.1-3-9-13 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) This section applies to the holder of a three-way permit that is issued for a premises described in IC 7.1-3-1-14(c)(2).

(b) Notwithstanding any other provision of this title or rule adopted by the commission and subject to subsections (c) and (d), the holder of a three-way permit may sell sealed bottles of liquor or wine for consumption off the licensed premises:

(1) from one (1) or more locations on a premises described in IC 7.1-3-1-14(c)(2); and

(2) on the date of the Indianapolis 500 Race in the 2016



calendar year from 7 a.m., prevailing local time, to 7 p.m.,
prevailing local time.

(c) The holder of a three-way permit described under subsection (b) must disclose to the commission, at least fourteen (14) days before the date of the Indianapolis 500 Race, that the holder intends to sell bottles of liquor or wine under this section.

(d) The bottles of liquor or wine described in subsection (b) must be decorative bottles commemorating the one hundredth anniversary of the Indianapolis 500 Race.

(e) This section expires January 1, 2017.

SECTION 8. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) The holder of a farm winery permit:

(1) is entitled to manufacture wine and to bottle wine produced by the permit holder's farm winery;

(2) is entitled to serve complimentary samples of the winery's wine on the licensed premises or an outside area that is contiguous to the licensed premises as approved by the commission if each employee who serves wine on the licensed premises:

(A) holds an employee permit under IC 7.1-3-18-9; and

(B) completes a server training program approved by the commission;

(3) is entitled to sell the winery's wine on the licensed premises to consumers either by the glass, or by the bottle, or both;

(4) is entitled to sell the winery's wine to consumers by the bottle at a farmers' market that is operated on a nonprofit basis;

(5) is entitled to sell wine by the bottle or by the case to a person who is the holder of a permit to sell wine at wholesale;

(6) is exempt from the provisions of IC 7.1-3-14;

(7) is entitled to advertise the name and address of any retailer or dealer who sells wine produced by the permit holder's winery;

(8) for wine described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the wine on the licensed premises; and

(B) may not sell, offer to sell, or allow the sale of the wine on the licensed premises;

(9) is entitled to purchase and sell bulk wine as set forth in this chapter;

(10) is entitled to sell wine as authorized by this section for carryout on Sunday; and

(11) is entitled to sell and ship the farm winery's wine to a person



located in another state in accordance with the laws of the other state.

(b) With the approval of the commission, a holder of a permit under this chapter may conduct business at not more than three (3) additional locations that are separate from the winery. At the additional locations, the holder of a permit may conduct any business that is authorized at the first location, except for the manufacturing or bottling of wine.

(c) With the approval of the commission, a holder of a permit under this chapter may:

(1) individually; or

(2) with other permit holders under this chapter, **holders of artisan distiller's permits, holders of a brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this subdivision;**

participate in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant approval under this subsection to a holder of a permit under this chapter for more than forty-five (45) days in a calendar year.

SECTION 9. IC 7.1-3-16-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 6. ~~Persons Eligible for Permits.~~ The commission may issue a temporary wine permit to a person who is qualified to hold a beer retailer's permit and who has such other qualifications as the commission may prescribe by a provisional order until it adopts a rule or regulation on the matter. However, the special disqualifications listed in ~~IC 1971, 7.1-3-4-2(c), (h), and (m);~~ IC 7.1-3-4-2(a)(3), IC 7.1-3-4-2(a)(8), and IC 7.1-3-4-2(a)(13), and the residency requirements provided in ~~IC 1971, IC 7.1-3-21-3,~~ shall not apply to an applicant for a temporary wine permit.

SECTION 10. IC 7.1-3-17.8 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

Chapter 17.8. State Park Liquor Permits

Sec. 1. The department of natural resources may apply for a three-way permit for one (1) or more state parks. A three-way permit for a state park may be a single permit, even though more than one (1) area within the state park constitutes the licensed premises of the permit.

Sec. 2. A permit issued under this chapter is not subject to:

(1) IC 7.1-3-21-1; and

(2) 905 IAC 1-27-4.



1 **Sec. 3. Separate areas within a state park are not subject to**
 2 **IC 7.1-5-5-7.**

3 **Sec. 4. Upon application, the commission shall issue a permit to**
 4 **the department of natural resources for a state park without:**

5 (1) publication of notice or investigation before a local board;
 6 and

7 (2) regard to the quota provisions of IC 7.1-3-22.

8 **Sec. 5. Except as provided in sections 2 and 3 of this chapter, an**
 9 **entity that operates on state park property under a permit issued**
 10 **by the commission to:**

11 (1) the department of natural resources under this chapter; or

12 (2) the entity under this article;

13 **shall operate within the park property in accordance with the**
 14 **provisions of this title that regulate the sale and use of alcoholic**
 15 **beverages, e-liquid (as defined in IC 7.1-7-2-10), and tobacco**
 16 **products (as defined in (IC 7.1-6-1-3)).**

17 SECTION 11. IC 7.1-3-18.5-5, AS AMENDED BY P.L.94-2008,
 18 SECTION 39, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 19 JULY 1, 2016]: Sec. 5. (a) Subject to subsection (b), the commission
 20 may suspend the certificate of a person who fails to pay a civil penalty
 21 imposed for violating IC 35-46-1-10, IC 35-46-1-10.2, **IC 35-46-1-11,**
 22 **IC 35-46-1-11.2,** IC 35-46-1-11.5, ~~or~~ IC 35-46-1-11.7, **or**
 23 **IC 35-46-1-11.8.**

24 (b) Before enforcing the imposition of a civil penalty or suspending
 25 or revoking a certificate under this chapter, the commission shall
 26 provide written notice of the alleged violation to the certificate holder
 27 and conduct a hearing. The commission shall provide written notice of
 28 the civil penalty or suspension or revocation of a certificate to the
 29 certificate holder.

30 (c) Subject to subsection (b), the commission shall revoke the
 31 certificate of a person upon a finding by a preponderance of the
 32 evidence that the person:

33 (1) has violated IC 35-45-5-3, IC 35-45-5-3.5, ~~or~~ IC 35-45-5-4,
 34 **IC 35-46-1-11, IC 35-46-1-11.2, or IC 35-46-1-11.8;**

35 (2) has committed habitual illegal sale of tobacco as established
 36 under IC 35-46-1-10.2(h); or

37 (3) has committed habitual illegal entrance by a minor as
 38 established under IC 35-46-1-11.7(f).

39 SECTION 12. IC 7.1-3-18.5-6, AS AMENDED BY P.L.231-2015,
 40 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 41 JULY 1, 2016]: Sec. 6. (a) If a certificate has:

42 (1) expired; or



(2) been suspended;
 the commission may not reinstate or renew the certificate until all civil penalties imposed against the certificate holder for violating IC 35-46-1-10, IC 35-46-1-10.2, **IC 35-46-1-11, IC 35-46-1-11.2,** IC 35-46-1-11.5, ~~or~~ IC 35-46-1-11.7, **or IC 35-46-1-11.8** have been paid.

(b) The failure to pay a civil penalty described in subsection (a) is a Class B infraction.

(c) If a certificate has been revoked, the commission may not reinstate or renew the certificate for at least one hundred eighty (180) days after the date of revocation. The commission may reinstate or renew the certificate only upon a reasonable showing by the applicant that the applicant shall:

(1) exercise due diligence in the sale of tobacco products or electronic cigarettes on the applicant's premises where the tobacco products or electronic cigarettes are sold or distributed; and

(2) properly supervise and train the applicant's employees or agents in the handling and sale of tobacco products or electronic cigarettes.

If a certificate is reinstated or renewed, the applicant of the certificate shall pay an application fee of one thousand dollars (\$1,000).

(d) Notwithstanding IC 34-28-5-5(c), civil penalties collected under this section must be deposited in the youth tobacco education and enforcement fund established under IC 7.1-6-2-6.

SECTION 13. IC 7.1-3-18.5-8, AS AMENDED BY P.L.231-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. The commission may mitigate civil penalties imposed against a certificate holder for violating IC 35-46-1-10, IC 35-46-1-10.2, **IC 35-46-1-11, IC 35-46-1-11.2,** IC 35-46-1-11.5, IC 35-46-1-11.7, **IC 35-46-1-11.8,** or any of the provisions of this chapter if a certificate holder provides a training program for the certificate holder's employees that includes at least the following topics:

(1) Laws governing the sale of tobacco products and electronic cigarettes.

(2) Methods of recognizing and handling customers who are less than eighteen (18) years of age.

(3) Procedures for proper examination of identification cards to verify that customers are under eighteen (18) years of age.

SECTION 14. IC 7.1-3-18.5-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS



[EFFECTIVE JULY 1, 2016]: **Sec. 11. If a certificate holder sells or distributes tobacco products or electronic cigarettes at a location:**
(1) determined to be a public nuisance; or
(2) at which conduct or acts that are crimes or infractions under IC 35 occur;
the commission may impose sanctions against the certificate holder under IC 7.1-2-3-33 and section 5 of this chapter.

SECTION 15. IC 7.1-3-19-17, AS ADDED BY P.L.121-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) This section applies to a permit issued under IC 7.1-3-20-16(d), IC 7.1-3-20-16(g), IC 7.1-3-20-16(k), ~~or IC 7.1-3-20-16(l)~~, **or IC 7.1-3-20-16.8** if a ~~local unit~~ **municipality** has adopted an ordinance requiring a formal written commitment as a condition of eligibility for a permit, as described in subsection (b).

(b) As a condition of eligibility for a permit, the applicant must enter into a formal written commitment with the municipal legislative body regarding the character or type of business that will be conducted on the permit premises. The municipal legislative body must adopt an ordinance approving the formal written commitment. A formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises. When an application for renewal of a permit is filed, the applicant shall forward a copy of the application to the municipal legislative body. The municipal legislative body shall receive notice of any filings, hearings, or other proceedings on the application for renewal from the applicant.

(c) A formal written commitment may be modified by the municipal legislative body with the agreement of the permit holder.

(d) Except as provided in subsection (f), the amount of time that a formal written commitment is valid may not be limited or restricted.

(e) A formal written commitment is terminated at the time a permit is lost, revoked, or not renewed.

(f) If the character or type of business violates the formal written commitments, the municipality may adopt a recommendation to the local board and the commission to:

- (1) deny the permit holder's application to renew the permit; or
- (2) revoke the permit holder's permit.

(g) The commission shall consider evidence at the hearing on the issue of whether the business violated the formal written commitments. If the commission determines there is sufficient evidence that the commitments have been violated by the permittee, the commission may:

- (1) deny the application to renew the permit; or



(2) revoke the permit;
as applicable.

SECTION 16. IC 7.1-3-20-8.6, AS AMENDED BY P.L.196-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8.6. The holder of a club permit may do the following:

(1) Designate one (1) ~~day each calendar week or more days each calendar month~~ as a guest day" **days, not to exceed a total of four (4) guest days in any calendar month.**

(2) Keep a record of all designated guest days.

(3) Invite guests who are not members of the club to attend the club on a guest day.

(4) Sell or give alcoholic beverages to guests for consumption on the permit premises on a guest day.

(5) Keep a guest book listing members and their nonmember guests, except on a designated guest day.

SECTION 17. IC 7.1-3-20-16, AS AMENDED BY P.L.121-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 16. (a) A permit that is authorized by this section may be issued without regard to the quota provisions of IC 7.1-3-22.

(b) The commission may issue a three-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant facility in the passenger terminal complex of a publicly owned airport. A permit issued under this subsection shall not be transferred to a location off the airport premises.

(c) **Except as provided in section 16.3 of this chapter,** the commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a redevelopment project consisting of a building or group of buildings that:

(1) was formerly used as part of a union railway station;

(2) has been listed in or is within a district that has been listed in the federal National Register of Historic Places maintained pursuant to the National Historic Preservation Act of 1966, as amended; and

(3) has been redeveloped or renovated, with the redevelopment or renovation being funded in part with grants from the federal, state, or local government.

A permit issued under this subsection shall not be transferred to a location outside of the redevelopment project.



(d) Subject to section 16.1 of this chapter **and except as provided in section 16.3 of this chapter**, the commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant:

- (1) on land; or
- (2) in a historic river vessel;

within a municipal riverfront development project funded in part with state and city money. The ownership of a permit issued under this subsection and the location for which the permit was issued may not be transferred. The legislative body of the municipality in which the municipal riverfront development project is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.

(e) **Except as provided in section 16.3 of this chapter**, the commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a renovation project consisting of a building that:

- (1) was formerly used as part of a passenger and freight railway station; and
- (2) was built before 1900.

The permit authorized by this subsection may be issued without regard to the proximity provisions of IC 7.1-3-21-11.

(f) **Except as provided in section 16.3 of this chapter**, the commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption at a cultural center for the visual and performing arts to the following:

- (1) A town that:
 - (A) is located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); and
 - (B) has a population of more than twenty thousand (20,000) but less than twenty-three thousand seven hundred (23,700).
- (2) A city that has an indoor theater as described in section 26 of



1 this chapter.

2 (g) **Except as provided in section 16.3 of this chapter**, the
 3 commission may issue not more than ten (10) new three-way, two-way,
 4 or one-way permits to sell alcoholic beverages for on-premises
 5 consumption to applicants, each of whom must be the proprietor, as
 6 owner or lessee, or both, of a restaurant located within a district, or not
 7 more than seven hundred (700) feet from a district, that meets the
 8 following requirements:

9 (1) The district has been listed in the National Register of Historic
 10 Places maintained under the National Historic Preservation Act
 11 of 1966, as amended.

12 (2) A county courthouse is located within the district.

13 (3) A historic opera house listed on the National Register of
 14 Historic Places is located within the district.

15 (4) A historic jail and sheriff's house listed on the National
 16 Register of Historic Places is located within the district.

17 The legislative body of the municipality in which the district is located
 18 shall recommend to the commission sites that are eligible to be permit
 19 premises. The commission shall consider, but is not required to follow,
 20 the municipal legislative body's recommendation in issuing a permit
 21 under this subsection. An applicant is not eligible for a permit if, less
 22 than two (2) years before the date of the application, the applicant sold
 23 a retailer's permit that was subject to IC 7.1-3-22 and that was for
 24 premises located within the district described in this section or within
 25 seven hundred (700) feet of the district. The ownership of a permit
 26 issued under this subsection and the location for which the permit was
 27 issued shall not be transferred. A permit holder and any lessee or
 28 proprietor of the permit premises is subject to the formal written
 29 commitment required under IC 7.1-3-19-17. Notwithstanding
 30 IC 7.1-3-1-3.5, if business operations cease at the permit premises for
 31 more than six (6) months, the permit shall revert to the commission.
 32 The permit holder is not entitled to any refund or other compensation.
 33 The total number of active permits issued under this subsection may
 34 not exceed ten (10) at any time. The cost of an initial permit issued
 35 under this subsection is six thousand dollars (\$6,000).

36 (h) **Except as provided in section 16.3 of this chapter**, the
 37 commission may issue a three-way permit for the sale of alcoholic
 38 beverages for on-premises consumption to an applicant who will locate
 39 as the proprietor, as owner or lessee, or both, of a restaurant within an
 40 economic development area under IC 36-7-14 in:

41 (1) a town with a population of more than twenty thousand
 42 (20,000); or



(2) a city with a population of more than forty-four thousand five hundred (44,500) but less than forty-five thousand (45,000); located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred eleven thousand (111,000). The commission may issue not more than five (5) licenses under this section to premises within a municipality described in subdivision (1) and not more than five (5) licenses to premises within a municipality described in subdivision (2). The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars (\$35,000), and the renewal fee for a license under this subsection is one thousand three hundred fifty dollars (\$1,350). Before the district expires, a permit issued under this subsection may not be transferred. After the district expires, a permit issued under this subsection may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(i) After June 30, 2006, **and except as provided in section 16.3 of this chapter**, the commission may issue not more than five (5) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than five hundred (500) feet from a district, that meets all of the following requirements:

(1) The district is within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14.

(2) A unit of the National Park Service is partially located within the district.

(3) An international deep water seaport is located within the district.

An applicant is not eligible for a permit under this subsection if, less than two (2) years before the date of the application, the applicant sold a retailers' permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this subsection or within five hundred (500) feet of the district. A permit issued under this subsection may not be transferred. If the commission issues five (5) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed five (5) at any time. The



commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission.

(j) Subject to section 16.2 of this chapter **and except as provided in section 16.3 of this chapter**, the commission may issue not more than six (6) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant on land within a municipal lakefront development project funded in part with state, local, and federal money. A permit issued under this subsection may not be transferred. If the commission issues six (6) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed six (6) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial permit under this subsection is ten thousand dollars (\$10,000).

(k) **Except as provided in section 16.3 of this chapter**, the commission may issue not more than ~~eight (8)~~ **nine (9)** new three-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be a proprietor, as owner or lessee, or both, of a restaurant located:

- (1) within a motorsports investment district (as defined in IC 5-1-17.5-11); or
- (2) not more than one thousand five hundred (1,500) feet from a motorsports investment district.

The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. If the commission issues ~~eight (8)~~ **nine (9)** new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed ~~eight (8)~~ **nine (9)** at any time. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.

(l) **Except as provided in section 16.3 of this chapter**, the commission may issue not more than two (2) new three-way permits to



1 sell alcoholic beverages for on-premises consumption for premises
 2 located within a qualified motorsports facility (as defined in
 3 IC 5-1-17.5-14). The ownership of a permit issued under this
 4 subsection and the location for which the permit was issued shall not
 5 be transferred. If the commission issues two (2) new permits under this
 6 subsection, and a permit issued under this subsection is later revoked
 7 or is not renewed, the commission may issue another new permit, as
 8 long as the total number of active permits issued under this subsection
 9 does not exceed two (2) at any time. A permit holder and any lessee or
 10 proprietor of the permit premises are subject to the formal written
 11 commitment required under IC 7.1-3-19-17. Notwithstanding
 12 IC 7.1-3-1-3.5, if business operations cease at the permit premises for
 13 more than six (6) months, the permit shall revert to the commission.
 14 The permit holder is not entitled to any refund or other compensation.

15 SECTION 18. IC 7.1-3-20-16.3 IS ADDED TO THE INDIANA
 16 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 17 [EFFECTIVE JULY 1, 2016]: **Sec. 16.3. If the holder of a permit**
 18 **holds a:**

19 (1) permit issued under section 16(c) through 16(l) of this
 20 chapter or section 16.8 of this chapter to sell beer for
 21 on-premises consumption; and

22 (2) permit for a brewery described in IC 7.1-3-2-7(5) that is
 23 located on or adjacent to the premises for which the permit
 24 holder holds a permit described in subdivision (1);

25 the permit holder may sell for carryout, at the premises for which
 26 the permit holder holds a permit described in subdivision (1), beer
 27 manufactured at the brewery.

28 SECTION 19. IC 7.1-3-20-16.8 IS ADDED TO THE INDIANA
 29 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 30 [EFFECTIVE UPON PASSAGE]: **Sec. 16.8. (a) A permit that is**
 31 **authorized by this section may be issued without regard to the**
 32 **quota provisions of IC 7.1-3-22.**

33 (b) Except as provided in section 16.3 of this chapter, the
 34 commission may issue not more than four (4) new three-way
 35 permits to sell alcoholic beverages for on-premises consumption to
 36 applicants in each of the following municipalities:

37 (1) Whitestown.

38 (2) Lebanon.

39 (3) Zionsville.

40 (4) Westfield.

41 (5) Carmel.

42 (6) Fishers.



(c) The following apply to permits issued under this section:

(1) An applicant for a permit under this section must be a proprietor, as owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in a municipality's:

(A) downtown redevelopment district; or

(B) downtown economic revitalization area.

(2) The cost of an initial permit is forty thousand dollars (\$40,000).

(3) The total number of active permits issued under this section may not exceed twenty-four (24) permits at any time. If any of the permits issued under this section are revoked or not renewed, the commission may issue only enough new permits to bring the total number of permits to twenty-four (24) active permits, with not more than four (4) in each municipality listed in subsection (b)(1) through (b)(6).

(4) The municipality may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(6) Except as provided in subdivision (8), the ownership of a permit may not be transferred.

(7) A permit may not be transferred from the premises for which the permit was issued.

(8) If the area in which the permit premises is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

SECTION 20. IC 7.1-3-20-17.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 17.5. (a) As used in this section, "banquet or gathering space" means a room or space in which**



1 social events are hosted that is located on the licensed premises of
2 a hotel or restaurant.

3 (b) As used in this section, "social event" means a party,
4 banquet, wedding or other reception, or any other social event.

5 (c) Subject to subsection (d), the holder of a retailer's permit
6 issued for the premises of a hotel or restaurant that has a banquet
7 or gathering space without a permanent bar over which alcoholic
8 beverages may be sold or dispensed may temporarily amend the
9 floor plans of the licensed premises to use the banquet or gathering
10 space to sell or dispense alcoholic beverages from a temporary bar
11 or service bar in the banquet or gathering space.

12 (d) The holder of a retailer's permit shall notify and submit the
13 amended floor plans described in subsection (c) to the commission
14 not later than twenty-four (24) hours before the date the holder
15 intends to sell or dispense alcoholic beverages from a temporary
16 bar or service bar.

17 (e) A holder of a retailer's permit who intends to sell or dispense
18 alcoholic beverages from a temporary bar or service bar as
19 described in this section remains subject to laws and rules
20 requiring that the area in which minors are allowed be separate
21 from the room or area in which the bar is located.

22 SECTION 21. IC 7.1-3-20-18 IS AMENDED TO READ AS
23 FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 18. (a) In order to be
24 considered a "hotel" within the meaning of this title and to be eligible
25 to receive an appropriate hotel permit under this title, an establishment
26 shall meet the following requirements:

27 (1) It shall be provided with special space and accommodations
28 where, in consideration of payment, food and lodging are
29 habitually furnished to travelers.

30 (2) It shall have at least twenty-five (25), adequately furnished
31 and completely separate sleeping rooms with adequate facilities:

32 (A) under one (1) continuous roof; or

33 (B) under separate roofs if:

34 (i) each sleeping room is on the same parcel of land or
35 contiguous parcels of land as the main building in which
36 a room described in subdivision (4) is operated; and

37 (ii) the main building and sleeping rooms are operated
38 by one (1) person, or under one (1) management.

39 (3) It shall be so disposed that persons usually apply for and
40 receive overnight accommodations in it in the course of usual and
41 regular travel or as a residence.

42 (4) It shall operate either a:



(A) regular dining room constantly frequented by customers each day; or

(B) room in which continental breakfasts and hors d'oeuvres are served in areas designated as dining rooms.

(b) This subsection applies to a hotel that qualifies under subsection (a)(4)(B). All laws and commission rules regarding legal serving for alcoholic beverages fully apply to the hotel. Rooms that qualify under subsection (a)(4)(B) qualify as rooms under IC 7.1-5-7-11(a)(16). The commission may adopt rules under IC 4-22-2 concerning floor plans of the hotel.

SECTION 22. IC 7.1-3-20-18.6 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 18.6. (a) If the commission issues a hotel permit for a hotel that meets the requirements of section 18(a)(2)(B) of this chapter, the holder of the hotel permit shall submit a floor plan or design to the commission of the premises where alcoholic beverages will be served and consumed, including any sleeping rooms of the hotel.**

(b) If the commission approves a floor plan or design described in subsection (a), the holder of the hotel permit may serve alcoholic beverages, as provided under the permit, to any building included in the floor plan or design.

SECTION 23. IC 7.1-3-20-18.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 18.7. (a) This section applies to the premises of a hotel that is owned by an accredited college or university (as described in IC 24-4-11-2).**

(b) Subject to subsection (c), the holder of a retailer permit that is issued for the premises of a hotel may sell or dispense, for on premise consumption only, alcoholic beverages, for which the permittee holds the appropriate permit, from a:

(1) nonpermanent bar located on an outside patio or terrace; or

(2) service window located on the licensed premises that opens to an outside patio or terrace;

that is contiguous to the main building of the licensed premises of the hotel.

(c) The holder of a retailer permit that is issued for the premises of a hotel may sell or dispense alcoholic beverages as provided under subsection (b) only if all the following conditions are met:

(1) The patio or terrace area described in subsection (b) is:

(A) part of the licensed premises; and



- 1 **(B) clearly delineated and completely enclosed on all sides**
 2 **by a fence, rail, wall, or hedge that is at least four (4) feet**
 3 **in height.**
 4 **(2) Access to the nonpermanent bar or service window is**
 5 **limited by a barrier that reasonably deters free access by**
 6 **minors to the bar or window.**
 7 **(3) A conspicuous sign is posted by the barrier described in**
 8 **subdivision (2) that states that minors are not allowed to cross**
 9 **the barrier to enter the area near the nonpermanent bar or**
 10 **service window.**

11 SECTION 24. IC 7.1-3-21-5, AS AMENDED BY P.L.107-2015,
 12 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 UPON PASSAGE]: Sec. 5. (a) The commission shall not issue an
 14 alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a
 15 corporation unless sixty percent (60%) of the outstanding common
 16 stock is owned by persons who have been continuous and bona fide
 17 residents of Indiana for five (5) years.

18 **(b) The commission shall not issue an alcoholic beverage**
 19 **dealer's permit of any type for the premises of a package liquor**
 20 **store to a corporation unless:**

- 21 **(1) sixty percent (60%) of the outstanding stock in the**
 22 **corporation is owned by persons who have been continuous**
 23 **and bona fide residents of Indiana for five (5) years; and**
 24 **(2) the stock described in subdivision (1) constitutes a**
 25 **controlling interest in the corporation.**

26 **(c) Each officer and stockholder of a corporation shall possess**
 27 **all other qualifications required of an individual applicant for that**
 28 **particular type of permit.**

29 SECTION 25. IC 7.1-3-21-5.2, AS AMENDED BY P.L.107-2015,
 30 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 31 UPON PASSAGE]: Sec. 5.2. (a) The commission shall not issue an
 32 alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a limited
 33 partnership unless at least sixty percent (60%) of the partnership
 34 interest is owned by persons who have been continuous and bona fide
 35 residents of Indiana for five (5) years.

36 **(b) The commission shall not issue an alcoholic beverage**
 37 **dealer's permit of any type for the premises of a package liquor**
 38 **store to a limited partnership unless:**

- 39 **(1) at least sixty percent (60%) of the partnership interest is**
 40 **owned by persons who have been continuous and bona fide**
 41 **residents of Indiana for five (5) years; and**



(2) the partnership interest described in subdivision (1) constitutes a controlling interest in the limited partnership.

~~(b)~~ **(c)** Each general partner and limited partner of a limited partnership must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 26. IC 7.1-3-21-5.4, AS AMENDED BY P.L.107-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.4. (a) The commission shall not issue an alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a limited liability company unless at least sixty percent (60%) of the membership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a limited liability company unless:

(1) at least sixty percent (60%) of the outstanding membership interest in the limited liability company is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and

(2) the membership interest described in subdivision (1) constitutes a controlling interest in the limited partnership.

~~(b)~~ **(c)** Each manager and member of a limited liability company must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 27. IC 7.1-3-21-5.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) Notwithstanding section 5, 5.2, or 5.4 of this chapter, the commission may renew or transfer ownership of a dealer's permit of any type for the holder of a dealer's permit who:

(1) held the permit for the premises of a package liquor store before January 1, 2016; and

(2) does not qualify for the permit under section 5(b), 5.2(b), or 5.4(b) of this chapter.

(b) The commission may transfer ownership of a dealer's permit under this section only to an applicant who satisfies the Indiana resident ownership requirements under this chapter.

SECTION 28. IC 7.1-3-27-8, AS AMENDED BY P.L.159-2014, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8. (a) The holder of an artisan distiller's permit may do only the following:



(1) Manufacture liquor, including blending liquor purchased from another manufacturer with liquor the artisan distiller manufactures under section 11 of this chapter.

(2) Bottle liquor manufactured by the artisan distiller.

(3) Store liquor manufactured by the artisan distiller.

(4) Transport, sell, and deliver liquor manufactured by the artisan distiller to:

(A) places outside Indiana; or

(B) the holder of a liquor wholesaler's permit under IC 7.1-3-8.

(5) Sell liquor manufactured by the artisan distiller to consumers by the drink, bottle, or case from the premises of the distillery where the liquor was manufactured.

(6) Serve complimentary samples of the liquor manufactured by the artisan distiller to consumers on the premises of the distillery where the liquor was manufactured.

(7) Sell liquor as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than four and five-tenths (4.5) liters.

(8) With the approval of the commission, participate:

(A) individually; or

(B) with other permit holders under this chapter, holders of farm winery permits, holders of brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this clause;

in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant to a holder of a permit under this chapter approval under this subdivision to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.

(b) The holder of an artisan distiller's permit who provides samples or sells liquor by the glass must furnish the minimum food requirements prescribed by the commission.

(c) An artisan distiller who knowingly or intentionally violates this section commits a Class B misdemeanor.

SECTION 29. IC 7.1-4-4.1-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) This section applies to the following permits:

(1) Temporary beer permit.

(2) Temporary wine permit.

(b) **Except as provided in subsection (d),** a license fee for a temporary permit is the greater of the following:



(1) Two dollars (\$2) per day of operation.

(2) The amount per day set by the commission under subsection

(c).

(c) Subject to any rates or schedules adopted by the commission, the commission may set a higher daily rate for a temporary beer permit under subsection (b)(2) if, in the judgment of the commission, the number of persons likely to be accommodated, or any other facts bearing on the value of the permit warrant the increase. However, **except as provided under subsection (d)**, the fee may not exceed one thousand dollars (\$1,000) per day.

(d) A license fee for a temporary permit issued under IC 7.1-3-6-3.8 is two thousand five hundred dollars (\$2,500).

SECTION 30. IC 7.1-4-4.1-9, AS AMENDED BY P.L.224-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. (a) This section applies to the following biennial permits:

(1) Beer retailer's permit.

(2) Liquor retailer's permit.

(3) Wine retailer's permit.

(4) One-way permit.

(5) Two-way permit.

(6) Three-way permit.

(7) Airplane beer permit.

(8) Airplane liquor permit.

(9) Airplane wine permit.

(10) Boat beer permit.

(11) Boat liquor permit.

(12) Boat wine permit.

(13) Dining car beer permit.

(14) Dining car liquor permit.

(15) Dining car wine permit.

(16) Hotel seasonal permit.

(b) The commission shall charge a single fee for the issuance of any combination of retailer's permits issued for the same location or conveyance.

(c) **Except as provided in subsection (d)**, an annual permit fee in the following amount is imposed on a retailer:

(1) Five hundred dollars (\$500), if the retailer serves only beer or only wine.

(2) Seven hundred fifty dollars (\$750), if the retailer serves both beer and wine but no liquor.



(3) One thousand dollars (\$1,000), if the retailer serves beer, wine, and liquor.

(d) An annual permit fee for a three-way permit issued to a state park under IC 7.1-3-17.8-1 is two hundred fifty dollars (\$250).

SECTION 31. IC 7.1-5-3-4, AS AMENDED BY P.L.79-2015, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) This section does not apply to the following:

(1) The necessary refilling of a container by a person holding a permit that authorizes the person to manufacture, rectify, or bottle liquor.

(2) An establishment where alcoholic beverages are sold that is owned, in whole or part, by an entity that holds a brewer's permit issued under IC 7.1-3-2-2(b).

(3) An establishment where alcoholic beverages are sold that is owned, in whole or part, by a statewide trade organization consisting of members, each of whom holds a brewer's permit issued under ~~IC 7.1-3-2-2(b)~~: **for a brewery described in IC 7.1-3-2-7(5).**

(4) The refilling of a bottle or container or possession of a refilled bottle or container if the refilling or possession is not for resale or another commercial purpose.

(5) The refilling of a bottle or container with a product from a farm winery in an establishment in which alcoholic beverages are sold that is owned, in whole or in part, by the holder of a farm winery permit.

(b) Except as provided in section 6 of this chapter, it is unlawful for a person to:

(1) refill a bottle or container, in whole or in part, with an alcoholic beverage; or

(2) knowingly possess a bottle or container that has been refilled, in whole or in part, with an alcoholic beverage;

after the container of liquor has been emptied in whole or in part.

(c) A person who knowingly or intentionally violates subsection (a) or (b) commits a Class B misdemeanor.

SECTION 32. IC 7.1-5-7-4.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 4.5. (a) As used in this section, "ID card" means any of the following:**

(1) A driver's license.

(2) A photographic identification card issued under IC 9-24-16-1 or a similar card issued under the laws of another state or the federal government.



(3) A government issued document bearing an individual's photograph.

(b) As used in this section, "permittee" means a person who holds a valid permit under this title, including an employee of a permittee.

(c) A permittee may retain an ID card that was provided to the permittee by a person as proof of age for making a purchase of an alcoholic beverage, if the permittee has:

(1) received alcohol server training under IC 7.1-3-1.5; and

(2) a reasonable belief that the ID card:

(A) has been altered or falsified; or

(B) was not issued to the person who provided the ID card to the permittee.

(d) If the permittee retains an ID card, the permittee shall do the following:

(1) Issue a receipt to the person who provided the ID card. The receipt must state the date and the hour that the permittee retained the ID card.

(2) Not later than twenty-four (24) hours after the ID card is retained, provide:

(A) the ID card; and

(B) a written statement of the facts and circumstances surrounding the permittee's retention of the ID card; to a state or local law enforcement agency that has jurisdiction where the permit premises is located.

(e) If the law enforcement agency does not:

(1) initiate an investigation; or

(2) find that probable cause exists;

as to any violation of section 1, 3, or 4 of this chapter, the law enforcement agency shall release the ID card to the person who was issued the ID card.

(f) A permittee is not subject to criminal liability or civil liability for retention of an ID card in accordance with this section.

(g) A permittee is not immune from civil or criminal liability for using force against a person in order to obtain an ID card.

SECTION 33. IC 7.1-7-4-1, AS AMENDED BY P.L.231-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A manufacturer of e-liquid shall obtain a permit from the commission before mixing, bottling, packaging, or selling e-liquid to retailers or distributors in Indiana.

(b) The commission shall accept initial applications and issue manufacturing permits until June 30, 2016.



(c) A manufacturing permit issued by the commission is valid for five (5) years.

(d) An initial application for a manufacturing permit must include the following:

(1) Plans for the construction and operation of the manufacturing facility that demonstrate that the facility design is:

(A) designed to include a clean room space where all mixing and bottling activities will occur; and

(B) capable of meeting all of the security requirements contained in this article.

(2) A service agreement that:

(A) the applicant has entered into with a security firm;

(B) is valid for a period of five (5) years after the date of the permit application;

(C) provides for the security firm to provide service and support to meet the security requirements established by this article;

(D) requires the security firm to certify that the manufacturer meets all requirements set forth in IC 7.1-7-4-6(10) through IC 7.1-7-4-6(15);

(E) prohibits the security firm from withholding its certification as described in clause (D) because the security equipment of the applicant is not sold by or proprietary to the security firm; and

(F) is renewable for the entire length of time that the applicant holds a permit issued by the commission.

(3) Verified documents satisfactory to the commission from the security firm demonstrating that the security firm meets the following requirements:

(A) The security firm has continuously employed, ~~not less than one (1) employee~~ for not less than the previous one (1) year period, ~~who is accredited or certified by both:~~ **both of the following:**

(i) **At least one (1) employee who is accredited or certified by the Door and Hardware Institute as an Architectural Hardware Consultant. and**

(ii) **At least one (1) employee who is accredited or certified the International Door Association as a certified Rolling Steel Fire Door Technician by the International Door Association or the Institute of Door Dealer Education and Accreditation.**



1 **However, the security firm meets the requirements of this**
 2 **clause if the security firm continuously employed, for not**
 3 **less than the previous one (1) year period, one (1) employee**
 4 **who is accredited or certified under both item (i) and item**
 5 **(ii).**

6 (B) The security firm has at least one (1) year of commercial
 7 experience, in the preceding year, with the following:

8 (i) Video surveillance system design and installation with
 9 remote viewing capability from a secure facility.

10 (ii) Owning and operating a security monitoring station with
 11 ownership control and use of a redundant offsite backup
 12 security monitoring station.

13 (iii) Operating a facility that modifies commercial hollow
 14 metal doors, frames, and borrowed lights with authorization
 15 to apply the Underwriters Laboratories label.

16 (4) The name, telephone number, and address of the applicant.

17 (5) The name, telephone number, and address of the
 18 manufacturing facility.

19 (6) The projected output in liters per year of e-liquid of the
 20 manufacturing facility.

21 (7) The name, telephone number, title, and address of the person
 22 responsible for the manufacturing facility.

23 (8) Verification that the facility will comply with proper
 24 manufacturing processes.

25 (9) Written consent allowing the state police department to
 26 conduct a state or national criminal history background check on
 27 any person listed on the application.

28 (10) Written consent allowing the commission, after a permit is
 29 issued to the applicant, to enter during normal business hours the
 30 premises where the e-liquid is manufactured to conduct physical
 31 inspections, sample the product to ensure the e-liquid meets the
 32 requirements for e-liquid set forth in this article, and perform an
 33 audit.

34 (11) A nonrefundable initial application fee of one thousand
 35 dollars (\$1,000).

36 (12) Any other information required by the commission for
 37 purposes of administering this article.

38 SECTION 34. IC 34-30-2-20.8 IS ADDED TO THE INDIANA
 39 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
 40 [EFFECTIVE JULY 1, 2016]: **Sec. 20.8. IC 7.1-5-7-4.5 (Concerning**
 41 **an alcoholic beverage permittee or employee of a permittee who**
 42 **retains a person's identification card).**



1 **SECTION 35. An emergency is declared for this act.**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, to which was referred House Bill 1386, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 2. IC 7.1-3-2-7, AS AMENDED BY P.L.144-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 7. The holder of a brewer's permit or an out-of-state brewer holding either a primary source of supply permit or an out-of-state brewer's permit may do the following:

- (1) Manufacture beer.
- (2) Place beer in containers or bottles.
- (3) Transport beer.
- (4) Sell and deliver beer to a person holding a beer wholesaler's permit issued under IC 7.1-3-3.
- (5) If the brewer manufactures, at all of the brewer's breweries located in Indiana, an aggregate of not more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may do the following:
 - (A) Sell and deliver a total of not more than thirty thousand (30,000) barrels of beer in a calendar year to a person holding a retailer or a dealer permit under this title. The total number of barrels of beer that the permit holder may sell and deliver under this clause in a calendar year may not exceed thirty thousand (30,000) barrels of beer.
 - (B) Be the proprietor of a restaurant.
 - (C) Hold a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant established under clause (B).
 - (D) Transfer beer directly from the brewery to the restaurant by means of:
 - (i) bulk containers; or
 - (ii) a continuous flow system.
 - (E) Install a window between the brewery and an adjacent restaurant that allows the public and the permittee to view both premises.
 - (F) Install a doorway or other opening between the brewery and an adjacent restaurant that provides the public and the permittee with access to both premises.
 - (G) Sell the brewery's beer by the glass for consumption on the



premises. Brewers permitted to sell beer by the glass under this clause must make food available for consumption on the premises. A brewer may comply with the requirements of this clause by doing any of the following:

- (i) Allowing a vehicle of transportation that is a food establishment (as defined in IC 16-18-2-137) to serve food near the brewer's licensed premises.
- (ii) Placing menus in the brewer's premises of restaurants that will deliver food to the brewery.
- (iii) Providing food prepared at the brewery.

(H) Sell and deliver beer to a consumer at the permit premises of the brewer or at the residence of the consumer. The delivery to a consumer may be made only in a quantity at any one (1) time of not more than one-half (1/2) barrel, but the beer may be contained in bottles or other permissible containers.

(I) Sell the brewery's beer as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than five hundred seventy-six (576) ounces. A brewer's beer may be sold under this clause at any address for which the brewer holds a brewer's permit issued under this chapter if the address is located within the same city boundaries in which the beer was manufactured.

(J) With the approval of the commission, participate:

- (i) individually; or
- (ii) with other permit holders under this chapter, **including the holder of an artisan distiller's permit and the holder of a farm winery permit;**

in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant to a holder of a permit under this chapter approval under this clause to participate in a trade show or exposition for more than forty-five (45) days in a calendar year.

(K) Store or condition beer in a secure building that is:

- (i) separate from the brewery; and
- (ii) owned or leased by the permit holder.

A brewer may not sell or transfer beer directly to a permittee or consumer from a building described in this clause.

(6) If the brewer's brewery manufactures more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana, the permit holder may own a portion of the corporate stock of another brewery that:



- (A) is located in the same county as the brewer's brewery;
 - (B) manufactures less than ninety thousand (90,000) barrels of beer in a calendar year; and
 - (C) is the proprietor of a restaurant that operates under subdivision (5).
- (7) Provide complimentary samples of beer that are:
- (A) produced by the brewer; and
 - (B) offered to consumers for consumption on the brewer's premises.
- (8) Own a portion of the corporate stock of a sports corporation that:
- (A) manages a minor league baseball stadium located in the same county as the brewer's brewery; and
 - (B) holds a beer retailer's permit, a wine retailer's permit, or a liquor retailer's permit for a restaurant located in that stadium.
- (9) For beer described in IC 7.1-1-2-3(a)(4):
- (A) may allow transportation to and consumption of the beer on the licensed premises; and
 - (B) may not sell, offer to sell, or allow sale of the beer on the licensed premises.

SECTION 3. IC 7.1-3-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 3. (a) The holder of a beer dealer's permit shall be entitled to purchase beer for sale under the permit only from a permittee entitled to sell to a beer dealer under this title.

(b) A beer dealer shall be entitled to possess beer and sell it at retail to a customer in permissible containers only.

(c) A beer dealer may not sell beer by the drink nor for consumption on the licensed premises nor shall a beer dealer allow it to be consumed on the licensed premises.

(d) Except as provided in subsection (e), a beer dealer shall be entitled to sell beer to a customer and deliver it in permissible containers to the customer on the licensed premises, or to the customer's residence or office. A beer dealer shall not be entitled to sell and deliver beer on the street or at the curb outside the licensed premises; nor shall a beer dealer be entitled to sell beer at a place other than the licensed premises. A beer dealer shall not be entitled to sell beer and deliver beer for carry-out, or for delivery to a customer's residence or office, in a quantity that exceeds eight hundred sixty-four (864) ounces in a single transaction. However, notwithstanding IC 7.1-5-10-11, a beer dealer who is licensed pursuant to IC 7.1-3-10-4 shall be entitled to sell and deliver warm or cold beer for carry-out, or



for delivery to a customer's residence, office, or a designated location in barrels or other commercial containers that do not exceed two thousand sixteen (2,016) ounces per container. This delivery may only be performed by the permit holder or an employee who holds an employee permit. The permit holder shall maintain a written record of each delivery for at least one (1) year that shows the customer's name, location of delivery, and quantity sold.

(e) Unless a beer dealer is a grocery store or drug store, a beer dealer may not sell or deliver alcoholic beverages or any other item through a window in the licensed premises to a patron who is outside the licensed premises. A beer dealer that is a grocery store or drug store may sell any item except alcoholic beverages through a window in the licensed premises to a patron who is outside the licensed premises."

Page 5, between lines 26 and 27, begin a new paragraph and insert:

"(e) Any person who sells or furnishes liquor under a temporary liquor permit issued under this section:

(1) shall have an employee permit under IC 7.1-3-18-9 that authorizes the person to perform bartending duties;

(2) shall have completed any alcohol server program or alcohol server training program refresher courses required under IC 7.1-3-1.5; and

(3) may not have any violations under this title."

Page 6, between lines 16 and 17, begin a new paragraph and insert:

"SECTION 15. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) The holder of a farm winery permit:

(1) is entitled to manufacture wine and to bottle wine produced by the permit holder's farm winery;

(2) is entitled to serve complimentary samples of the winery's wine on the licensed premises or an outside area that is contiguous to the licensed premises as approved by the commission if each employee who serves wine on the licensed premises:

(A) holds an employee permit under IC 7.1-3-18-9; and

(B) completes a server training program approved by the commission;

(3) is entitled to sell the winery's wine on the licensed premises to consumers either by the glass, or by the bottle, or both;

(4) is entitled to sell the winery's wine to consumers by the bottle at a farmers' market that is operated on a nonprofit basis;

(5) is entitled to sell wine by the bottle or by the case to a person who is the holder of a permit to sell wine at wholesale;



- (6) is exempt from the provisions of IC 7.1-3-14;
- (7) is entitled to advertise the name and address of any retailer or dealer who sells wine produced by the permit holder's winery;
- (8) for wine described in IC 7.1-1-2-3(a)(4):
 - (A) may allow transportation to and consumption of the wine on the licensed premises; and
 - (B) may not sell, offer to sell, or allow the sale of the wine on the licensed premises;
- (9) is entitled to purchase and sell bulk wine as set forth in this chapter;
- (10) is entitled to sell wine as authorized by this section for carryout on Sunday; and
- (11) is entitled to sell and ship the farm winery's wine to a person located in another state in accordance with the laws of the other state.

(b) With the approval of the commission, a holder of a permit under this chapter may conduct business at not more than three (3) additional locations that are separate from the winery. At the additional locations, the holder of a permit may conduct any business that is authorized at the first location, except for the manufacturing or bottling of wine.

(c) With the approval of the commission, a holder of a permit under this chapter may, individually or with other permit holders under this chapter, **including the holder of:**

- (1) an artisan distiller's permit; and**
- (2) a brewer's permit who manufactures not more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana;**

participate in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant approval under this subsection to a holder of a permit under this chapter for more than forty-five (45) days in a calendar year."

Page 10, line 29, delete "chapter;" and insert "**chapter, including the holder of a:**

- (1) farm winery permit; and**
- (2) brewer's permit who manufactures not more than ninety thousand (90,000) barrels of beer in a calendar year for sale or distribution within Indiana."**

Page 12, line 4, delete "hard cider" and insert "**a product from a farm winery**".

Page 12, line 6, delete "an entity that manufactures".

Page 12, line 7, delete "hard cider under" and insert "**a farm winery**".



with".

Page 13, delete lines 19 through 42.

Page 14, delete lines 1 through 3.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1386 as introduced.)

DERMODY

Committee Vote: yeas 12, nays 0.

COMMITTEE REPORT

Madam President: The Senate Committee on Public Policy, to which was referred House Bill No. 1386, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 3, line 10, delete "including" and insert "**holders of artisan distiller's permits, holders of farm winery permits, or any combination of holders described in this item;**".

Page 3, delete lines 11 through 12.

Page 4, delete lines 6 through 40, begin a new paragraph and insert: "SECTION 3. IC 7.1-3-5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a) As used in this section, "proprietor of a package liquor store" means the person that:**

(1) holds the financial investment in; and

(2) exercises the financial and operational oversight of;

a package liquor store.

~~(a)~~ **(b)** The commission may issue a beer dealer's permit only to an applicant who is the proprietor of a drug store, grocery store, or package liquor store.

~~(b)~~ **(c) Subject to subsection (d),** the commission may issue a beer dealer's permit to an applicant that is a foreign corporation if:

(1) the applicant is duly admitted to do business in Indiana;

(2) the sale of beer is within the applicant's corporate powers; and

(3) the applicant is otherwise qualified under this title.

(d) Except as provided under IC 7.1-3-21-5.6, the commission may issue a beer dealer's permit under subsection (c) for the premises of a package liquor store only if the proprietor of the package liquor store satisfies the Indiana resident ownership

EH 1386—LS 7056/DI 110



requirements described in IC 7.1-3-21-5(b), IC 7.1-3-21-5.2(b), or IC 7.1-3-21-5.4(b).

~~(c)~~ **(e)** The commission shall not issue a beer dealer's permit to a person who is disqualified under the special disqualifications. However, the special disqualification listed in IC 7.1-3-4-2(a)(13) shall not apply to an applicant for a beer dealer's permit.

~~(d)~~ **(f)** Notwithstanding subsection ~~(a)~~, **(b)**, the commission may renew a beer dealer's permit for an applicant who:

- (1) held a permit before July 1, 1997; and
- (2) is the proprietor of a confectionery or a store that:
 - (A) is not a drug store, grocery store, or package liquor store;
 - (B) is in good repute; and
 - (C) in the judgment of the commission, deals in merchandise that is not incompatible with the sale of beer."

Page 6, delete lines 32 through 42, begin a new paragraph and insert:

"SECTION 7. IC 7.1-3-9-13 IS ADDED TO THE INDIANA CODE AS A **NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) This section applies to the holder of a three-way permit that is issued for a premises described in IC 7.1-3-1-14(c)(2).**

(b) Notwithstanding any other provision of this title or rule adopted by the commission and subject to subsections (c) and (d), the holder of a three-way permit may sell sealed bottles of liquor or wine for consumption off the licensed premises:

- (1) from one (1) or more locations on a premises described in IC 7.1-3-1-14(c)(2); and**
- (2) on the date of the Indianapolis 500 Race in the 2016 calendar year from 7 a.m., prevailing local time, to 7 p.m., prevailing local time.**

(c) The holder of a three-way permit described under subsection (b) must disclose to the commission, at least fourteen (14) days before the date of the Indianapolis 500 Race, that the holder intends to sell bottles of liquor or wine under this section.

(d) The bottles of liquor or wine described in subsection (b) must be decorative bottles commemorating the one hundredth anniversary of the Indianapolis 500 Race.

(e) This section expires January 1, 2017."

Delete pages 7 through 9.

Page 10, delete lines 1 through 39, begin a new paragraph and insert:



"SECTION 8. IC 7.1-3-12-5, AS AMENDED BY P.L.186-2011, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 5. (a) The holder of a farm winery permit:

(1) is entitled to manufacture wine and to bottle wine produced by the permit holder's farm winery;

(2) is entitled to serve complimentary samples of the winery's wine on the licensed premises or an outside area that is contiguous to the licensed premises as approved by the commission if each employee who serves wine on the licensed premises:

(A) holds an employee permit under IC 7.1-3-18-9; and

(B) completes a server training program approved by the commission;

(3) is entitled to sell the winery's wine on the licensed premises to consumers either by the glass, or by the bottle, or both;

(4) is entitled to sell the winery's wine to consumers by the bottle at a farmers' market that is operated on a nonprofit basis;

(5) is entitled to sell wine by the bottle or by the case to a person who is the holder of a permit to sell wine at wholesale;

(6) is exempt from the provisions of IC 7.1-3-14;

(7) is entitled to advertise the name and address of any retailer or dealer who sells wine produced by the permit holder's winery;

(8) for wine described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the wine on the licensed premises; and

(B) may not sell, offer to sell, or allow the sale of the wine on the licensed premises;

(9) is entitled to purchase and sell bulk wine as set forth in this chapter;

(10) is entitled to sell wine as authorized by this section for carryout on Sunday; and

(11) is entitled to sell and ship the farm winery's wine to a person located in another state in accordance with the laws of the other state.

(b) With the approval of the commission, a holder of a permit under this chapter may conduct business at not more than three (3) additional locations that are separate from the winery. At the additional locations, the holder of a permit may conduct any business that is authorized at the first location, except for the manufacturing or bottling of wine.

(c) With the approval of the commission, a holder of a permit under this chapter may:

(1) individually; or



(2) with other permit holders under this chapter, holders of artisan distiller's permits, holders of a brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this subdivision;

participate in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant approval under this subsection to a holder of a permit under this chapter for more than forty-five (45) days in a calendar year."

Page 11, between lines 8 and 9, begin a new paragraph and insert:

"SECTION 10. IC 7.1-3-17.8 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]:

Chapter 17.8. State Park Liquor Permits

Sec. 1. The department of natural resources may apply for a three-way permit for one (1) or more state parks. A three-way permit for a state park may be a single permit, even though more than one (1) area within the state park constitutes the licensed premises of the permit.

Sec. 2. A permit issued under this chapter is not subject to:

- (1) IC 7.1-3-21-1; and**
- (2) 905 IAC 1-27-4.**

Sec. 3. Separate areas within a state park are not subject to IC 7.1-5-5-7.

Sec. 4. Upon application, the commission shall issue a permit to the department of natural resources for a state park without:

- (1) publication of notice or investigation before a local board; and**
- (2) regard to the quota provisions of IC 7.1-3-22.**

Sec. 5. Except as provided in sections 2 and 3 of this chapter, an entity that operates on state park property under a permit issued by the commission to:

- (1) the department of natural resources under this chapter; or**
- (2) the entity under this article;**

shall operate within the park property in accordance with the provisions of this title that regulate the sale and use of alcoholic beverages, e-liquid (as defined in IC 7.1-7-2-10), and tobacco products (as defined in (IC 7.1-6-1-3))."

Page 12, between lines 41 and 42, begin a new paragraph and insert:

"SECTION 15. IC 7.1-3-19-17, AS ADDED BY P.L.121-2015, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. (a) This section applies to a permit issued



under IC 7.1-3-20-16(d), IC 7.1-3-20-16(g), IC 7.1-3-20-16(k), ~~or IC 7.1-3-20-16(l)~~, **or IC 7.1-3-20-16.8** if a ~~local unit~~ **municipality** has adopted an ordinance requiring a formal written commitment as a condition of eligibility for a permit, as described in subsection (b).

(b) As a condition of eligibility for a permit, the applicant must enter into a formal written commitment with the municipal legislative body regarding the character or type of business that will be conducted on the permit premises. The municipal legislative body must adopt an ordinance approving the formal written commitment. A formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises. When an application for renewal of a permit is filed, the applicant shall forward a copy of the application to the municipal legislative body. The municipal legislative body shall receive notice of any filings, hearings, or other proceedings on the application for renewal from the applicant.

(c) A formal written commitment may be modified by the municipal legislative body with the agreement of the permit holder.

(d) Except as provided in subsection (f), the amount of time that a formal written commitment is valid may not be limited or restricted.

(e) A formal written commitment is terminated at the time a permit is lost, revoked, or not renewed.

(f) If the character or type of business violates the formal written commitments, the municipality may adopt a recommendation to the local board and the commission to:

- (1) deny the permit holder's application to renew the permit; or
- (2) revoke the permit holder's permit.

(g) The commission shall consider evidence at the hearing on the issue of whether the business violated the formal written commitments. If the commission determines there is sufficient evidence that the commitments have been violated by the permittee, the commission may:

- (1) deny the application to renew the permit; or
- (2) revoke the permit;

as applicable.

SECTION 16. IC 7.1-3-20-8.6, AS AMENDED BY P.L.196-2015, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 8.6. The holder of a club permit may do the following:

- (1) Designate one ~~(1) day each calendar week or more days each calendar month as a guest day~~ **days, not to exceed a total of four (4) guest days in any calendar month.**
- (2) Keep a record of all designated guest days.



(3) Invite guests who are not members of the club to attend the club on a guest day.

(4) Sell or give alcoholic beverages to guests for consumption on the permit premises on a guest day.

(5) Keep a guest book listing members and their nonmember guests, except on a designated guest day.

SECTION 17. IC 7.1-3-20-16, AS AMENDED BY P.L.121-2015, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 16. (a) A permit that is authorized by this section may be issued without regard to the quota provisions of IC 7.1-3-22.

(b) The commission may issue a three-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant facility in the passenger terminal complex of a publicly owned airport. A permit issued under this subsection shall not be transferred to a location off the airport premises.

(c) **Except as provided in section 16.3 of this chapter**, the commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a redevelopment project consisting of a building or group of buildings that:

- (1) was formerly used as part of a union railway station;
- (2) has been listed in or is within a district that has been listed in the federal National Register of Historic Places maintained pursuant to the National Historic Preservation Act of 1966, as amended; and
- (3) has been redeveloped or renovated, with the redevelopment or renovation being funded in part with grants from the federal, state, or local government.

A permit issued under this subsection shall not be transferred to a location outside of the redevelopment project.

(d) Subject to section 16.1 of this chapter **and except as provided in section 16.3 of this chapter**, the commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant:

- (1) on land; or
- (2) in a historic river vessel;

within a municipal riverfront development project funded in part with state and city money. The ownership of a permit issued under this subsection and the location for which the permit was issued may not be



transferred. The legislative body of the municipality in which the municipal riverfront development project is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.

(e) **Except as provided in section 16.3 of this chapter**, the commission may issue a three-way, two-way, or one-way permit to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant within a renovation project consisting of a building that:

- (1) was formerly used as part of a passenger and freight railway station; and
- (2) was built before 1900.

The permit authorized by this subsection may be issued without regard to the proximity provisions of IC 7.1-3-21-11.

(f) **Except as provided in section 16.3 of this chapter**, the commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption at a cultural center for the visual and performing arts to the following:

- (1) A town that:
 - (A) is located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); and
 - (B) has a population of more than twenty thousand (20,000) but less than twenty-three thousand seven hundred (23,700).
- (2) A city that has an indoor theater as described in section 26 of this chapter.

(g) **Except as provided in section 16.3 of this chapter**, the commission may issue not more than ten (10) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than seven hundred (700) feet from a district, that meets the following requirements:



- (1) The district has been listed in the National Register of Historic Places maintained under the National Historic Preservation Act of 1966, as amended.
- (2) A county courthouse is located within the district.
- (3) A historic opera house listed on the National Register of Historic Places is located within the district.
- (4) A historic jail and sheriff's house listed on the National Register of Historic Places is located within the district.

The legislative body of the municipality in which the district is located shall recommend to the commission sites that are eligible to be permit premises. The commission shall consider, but is not required to follow, the municipal legislative body's recommendation in issuing a permit under this subsection. An applicant is not eligible for a permit if, less than two (2) years before the date of the application, the applicant sold a retailer's permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this section or within seven hundred (700) feet of the district. The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. A permit holder and any lessee or proprietor of the permit premises is subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation. The total number of active permits issued under this subsection may not exceed ten (10) at any time. The cost of an initial permit issued under this subsection is six thousand dollars (\$6,000).

(h) **Except as provided in section 16.3 of this chapter**, the commission may issue a three-way permit for the sale of alcoholic beverages for on-premises consumption to an applicant who will locate as the proprietor, as owner or lessee, or both, of a restaurant within an economic development area under IC 36-7-14 in:

- (1) a town with a population of more than twenty thousand (20,000); or
- (2) a city with a population of more than forty-four thousand five hundred (44,500) but less than forty-five thousand (45,000);

located in a county having a population of more than one hundred ten thousand (110,000) but less than one hundred eleven thousand (111,000). The commission may issue not more than five (5) licenses under this section to premises within a municipality described in subdivision (1) and not more than five (5) licenses to premises within a municipality described in subdivision (2). The commission shall



conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial license under this subsection is thirty-five thousand dollars (\$35,000), and the renewal fee for a license under this subsection is one thousand three hundred fifty dollars (\$1,350). Before the district expires, a permit issued under this subsection may not be transferred. After the district expires, a permit issued under this subsection may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

(i) After June 30, 2006, **and except as provided in section 16.3 of this chapter**, the commission may issue not more than five (5) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be the proprietor, as owner or lessee, or both, of a restaurant located within a district, or not more than five hundred (500) feet from a district, that meets all of the following requirements:

- (1) The district is within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14.
- (2) A unit of the National Park Service is partially located within the district.
- (3) An international deep water seaport is located within the district.

An applicant is not eligible for a permit under this subsection if, less than two (2) years before the date of the application, the applicant sold a retailers' permit that was subject to IC 7.1-3-22 and that was for premises located within the district described in this subsection or within five hundred (500) feet of the district. A permit issued under this subsection may not be transferred. If the commission issues five (5) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed five (5) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission.

(j) Subject to section 16.2 of this chapter **and except as provided in section 16.3 of this chapter**, the commission may issue not more than six (6) new three-way, two-way, or one-way permits to sell alcoholic beverages for on-premises consumption only to an applicant who is the proprietor, as owner or lessee, or both, of a restaurant on



land within a municipal lakefront development project funded in part with state, local, and federal money. A permit issued under this subsection may not be transferred. If the commission issues six (6) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed six (6) at any time. The commission shall conduct an auction of the permits under IC 7.1-3-22-9, except that the auction may be conducted at any time as determined by the commission. Notwithstanding any other law, the minimum bid for an initial permit under this subsection is ten thousand dollars (\$10,000).

(k) **Except as provided in section 16.3 of this chapter**, the commission may issue not more than ~~eight (8)~~ **nine (9)** new three-way permits to sell alcoholic beverages for on-premises consumption to applicants, each of whom must be a proprietor, as owner or lessee, or both, of a restaurant located:

- (1) within a motorsports investment district (as defined in IC 5-1-17.5-11); or
- (2) not more than one thousand five hundred (1,500) feet from a motorsports investment district.

The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. If the commission issues ~~eight (8)~~ **nine (9)** new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection does not exceed ~~eight (8)~~ **nine (9)** at any time. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.

(l) **Except as provided in section 16.3 of this chapter**, the commission may issue not more than two (2) new three-way permits to sell alcoholic beverages for on-premises consumption for premises located within a qualified motorsports facility (as defined in IC 5-1-17.5-14). The ownership of a permit issued under this subsection and the location for which the permit was issued shall not be transferred. If the commission issues two (2) new permits under this subsection, and a permit issued under this subsection is later revoked or is not renewed, the commission may issue another new permit, as long as the total number of active permits issued under this subsection



does not exceed two (2) at any time. A permit holder and any lessee or proprietor of the permit premises are subject to the formal written commitment required under IC 7.1-3-19-17. Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission. The permit holder is not entitled to any refund or other compensation.

SECTION 18. IC 7.1-3-20-16.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: **Sec. 16.3. If the holder of a permit holds a:**

- (1) permit issued under section 16(c) through 16(l) of this chapter to sell beer for on-premises consumption; and**
- (2) permit for a brewery described in IC 7.1-3-2-7(5) that is located on or adjacent to the premises for which the permit holder holds a permit described in subdivision (1);**

the permit holder may sell for carryout, at the premises for which the permit holder holds a permit described in subdivision (1), beer manufactured at the brewery.

SECTION 19. IC 7.1-3-20-16.8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 16.8. (a) A permit that is authorized by this section may be issued without regard to the quota provisions of IC 7.1-3-22.**

(b) The commission may issue not more than four (4) new three-way permits to sell alcoholic beverages for on-premises consumption to applicants in each of the following municipalities:

- (1) Whitestown.**
- (2) Lebanon.**
- (3) Zionsville.**
- (4) Westfield.**
- (5) Carmel.**
- (6) Fishers.**

(c) The following apply to permits issued under this section:

- (1) An applicant for a permit under this section must be a proprietor, as owner or lessee, or both, of a restaurant located within an economic development area, an area needing redevelopment, or a redevelopment district as established under IC 36-7-14 in a municipality's:**
 - (A) downtown redevelopment district; or**
 - (B) downtown economic revitalization area.**
- (2) The cost of an initial permit is forty thousand dollars (\$40,000).**



(3) The total number of active permits issued under this section may not exceed twenty-four (24) permits at any time. If any of the permits issued under this section are revoked or not renewed, the commission may issue only enough new permits to bring the total number of permits to twenty-four (24) active permits, with not more than four (4) in each municipality listed in subsection (b)(1) through (b)(6).

(4) The municipality may adopt an ordinance under IC 7.1-3-19-17 requiring a permit holder to enter into a formal written commitment as a condition of eligibility for a permit. As set forth in IC 7.1-3-19-17(b), a formal written commitment is binding on the permit holder and on any lessee or proprietor of the permit premises.

(5) Notwithstanding IC 7.1-3-1-3.5, if business operations cease at the permit premises for more than six (6) months, the permit shall revert to the commission and the permit holder is not entitled to any refund or other compensation.

(6) Except as provided in subdivision (8), the ownership of a permit may not be transferred.

(7) A permit may not be transferred from the premises for which the permit was issued.

(8) If the area in which the permit premises is located is no longer designated an economic development area, an area needing redevelopment, or a redevelopment district, a permit issued under this section may be renewed, and the ownership of the permit may be transferred, but the permit may not be transferred from the permit premises.

SECTION 20. IC 7.1-3-20-17.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 17.5. (a) As used in this section, "banquet or gathering space" means a room or space in which social events are hosted that is located on the licensed premises of a hotel or restaurant.

(b) As used in this section, "social event" means a party, banquet, wedding or other reception, or any other social event.

(c) Subject to subsection (d), the holder of a retailer's permit issued for the premises of a hotel or restaurant that has a banquet or gathering space without a permanent bar over which alcoholic beverages may be sold or dispensed may temporarily amend the floor plans of the licensed premises to use the banquet or gathering space to sell or dispense alcoholic beverages from a temporary bar or service bar in the banquet or gathering space.



(d) The holder of a retailer's permit shall notify and submit the amended floor plans described in subsection (c) to the commission not later than twenty-four (24) hours before the date the holder intends to sell or dispense alcoholic beverages from a temporary bar or service bar.

(e) A holder of a retailer's permit who intends to sell or dispense alcoholic beverages from a temporary bar or service bar as described in this section remains subject to laws and rules requiring that the area in which minors are allowed be separate from the room or area in which the bar is located."

Page 13, line 10, delete "(A)" and insert "(A)".

Page 13, line 31, delete "IC 7.1-3-20-18.5" and insert "IC 7.1-3-20-18.6".

Page 13, line 33, delete "18.5." and insert "18.6".

Page 14, between lines 30 and 31, begin a new paragraph and insert:

"SECTION 24. IC 7.1-3-21-5, AS AMENDED BY P.L.107-2015, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The commission shall not issue an alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a corporation unless sixty percent (60%) of the outstanding common stock is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a corporation unless:

- (1) sixty percent (60%) of the outstanding stock in the corporation is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and**
- (2) the stock described in subdivision (1) constitutes a controlling interest in the corporation.**

~~(b)~~ **(c)** Each officer and stockholder of a corporation shall possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 25. IC 7.1-3-21-5.2, AS AMENDED BY P.L.107-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.2. (a) The commission shall not issue an alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a limited partnership unless at least sixty percent (60%) of the partnership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.



(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a limited partnership unless:

(1) at least sixty percent (60%) of the partnership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and

(2) the partnership interest described in subdivision (1) constitutes a controlling interest in the limited partnership.

(b) (c) Each general partner and limited partner of a limited partnership must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 26. IC 7.1-3-21-5.4, AS AMENDED BY P.L.107-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.4. (a) The commission shall not issue an alcoholic beverage retailer's ~~or dealer's~~ permit of any type to a limited liability company unless at least sixty percent (60%) of the membership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a limited liability company unless:

(1) at least sixty percent (60%) of the outstanding membership interest in the limited liability company is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and

(2) the membership interest described in subdivision (1) constitutes a controlling interest in the limited partnership.

(b) (c) Each manager and member of a limited liability company must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 27. IC 7.1-3-21-5.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.6. (a) Notwithstanding section 5, 5.2, or 5.4 of this chapter, the commission may renew or transfer ownership of a dealer's permit of any type for the holder of a dealer's permit who:

(1) held the permit for the premises of a package liquor store before January 1, 2016; and

(2) does not qualify for the permit under section 5(b), 5.2(b), or 5.4(b) of this chapter.



(b) The commission may transfer ownership of a dealer's permit under this section only to an applicant who satisfies the Indiana resident ownership requirements under this chapter."

Page 15, between lines 7 and 8, begin a new line block indented and insert:

"(7) Sell liquor as authorized by this section for carryout on Sunday in a quantity at any one (1) time of not more than four and five-tenths (4.5) liters."

Page 15, line 8, delete "(7)" and insert "(8)".

Page 15, line 10, delete "including" and insert **"holders of farm winery permits, holders of brewer's permits issued under IC 7.1-3-2-2(b), or any combination of holders described in this clause;"**.

Page 15, delete lines 11 through 15.

Page 15, delete line 32.

Page 16, delete lines 5 through 42, begin a new paragraph and insert:

"SECTION 30. IC 7.1-4-4.1-9, AS AMENDED BY P.L.224-2005, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 9. (a) This section applies to the following biennial permits:

- (1) Beer retailer's permit.
- (2) Liquor retailer's permit.
- (3) Wine retailer's permit.
- (4) One-way permit.
- (5) Two-way permit.
- (6) Three-way permit.
- (7) Airplane beer permit.
- (8) Airplane liquor permit.
- (9) Airplane wine permit.
- (10) Boat beer permit.
- (11) Boat liquor permit.
- (12) Boat wine permit.
- (13) Dining car beer permit.
- (14) Dining car liquor permit.
- (15) Dining car wine permit.
- (16) Hotel seasonal permit.

(b) The commission shall charge a single fee for the issuance of any combination of retailer's permits issued for the same location or conveyance.

(c) Except as provided in subsection (d), an annual permit fee in the following amount is imposed on a retailer:

EH 1386—LS 7056/DI 110



- (1) Five hundred dollars (\$500), if the retailer serves only beer or only wine.
- (2) Seven hundred fifty dollars (\$750), if the retailer serves both beer and wine but no liquor.
- (3) One thousand dollars (\$1,000), if the retailer serves beer, wine, and liquor.

(d) An annual permit fee for a three-way permit issued to a state park under IC 7.1-3-17.8-1 is two hundred fifty dollars (\$250).

SECTION 31. IC 7.1-5-3-4, AS AMENDED BY P.L.79-2015, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) This section does not apply to the following:

- (1) The necessary refilling of a container by a person holding a permit that authorizes the person to manufacture, rectify, or bottle liquor.
- (2) An establishment where alcoholic beverages are sold that is owned, in whole or part, by an entity that holds a brewer's permit issued under IC 7.1-3-2-2(b).
- (3) An establishment where alcoholic beverages are sold that is owned, in whole or part, by a statewide trade organization consisting of members, each of whom holds a brewer's permit issued under ~~IC 7.1-3-2-2(b)~~; **for a brewery described in IC 7.1-3-2-7(5).**
- (4) The refilling of a bottle or container or possession of a refilled bottle or container if the refilling or possession is not for resale or another commercial purpose.

(5) The refilling of a bottle or container with a product from a farm winery in an establishment in which alcoholic beverages are sold that is owned, in whole or in part, by the holder of a farm winery permit.

(b) Except as provided in section 6 of this chapter, it is unlawful for a person to:

- (1) refill a bottle or container, in whole or in part, with an alcoholic beverage; or
- (2) knowingly possess a bottle or container that has been refilled, in whole or in part, with an alcoholic beverage;

after the container of liquor has been emptied in whole or in part.

(c) A person who knowingly or intentionally violates subsection (a) or (b) commits a Class B misdemeanor."

Page 17, delete lines 1 through 3.

Page 17, line 6, delete "(a)" and insert "**(a)**".

Page 18, between lines 4 and 5, begin a new paragraph and insert:



"SECTION 33. IC 7.1-7-4-1, AS AMENDED BY P.L.231-2015, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) A manufacturer of e-liquid shall obtain a permit from the commission before mixing, bottling, packaging, or selling e-liquid to retailers or distributors in Indiana.

(b) The commission shall accept initial applications and issue manufacturing permits until June 30, 2016.

(c) A manufacturing permit issued by the commission is valid for five (5) years.

(d) An initial application for a manufacturing permit must include the following:

(1) Plans for the construction and operation of the manufacturing facility that demonstrate that the facility design is:

(A) designed to include a clean room space where all mixing and bottling activities will occur; and

(B) capable of meeting all of the security requirements contained in this article.

(2) A service agreement that:

(A) the applicant has entered into with a security firm;

(B) is valid for a period of five (5) years after the date of the permit application;

(C) provides for the security firm to provide service and support to meet the security requirements established by this article;

(D) requires the security firm to certify that the manufacturer meets all requirements set forth in IC 7.1-7-4-6(10) through IC 7.1-7-4-6(15);

(E) prohibits the security firm from withholding its certification as described in clause (D) because the security equipment of the applicant is not sold by or proprietary to the security firm; and

(F) is renewable for the entire length of time that the applicant holds a permit issued by the commission.

(3) Verified documents satisfactory to the commission from the security firm demonstrating that the security firm meets the following requirements:

(A) The security firm has continuously employed, ~~not less than one (1) employee~~ for not less than the previous one (1) year period, ~~who is accredited or certified by both:~~ **both of the following:**



- (i) **At least one (1) employee who is accredited or certified by the Door and Hardware Institute as an Architectural Hardware Consultant. and**
- (ii) **At least one (1) employee who is accredited or certified the International Door Association as a certified Rolling Steel Fire Door Technician by the International Door Association or the Institute of Door Dealer Education and Accreditation.**

However, the security firm meets the requirements of this clause if the security firm continuously employed, for not less than the previous one (1) year period, one (1) employee who is accredited or certified under both item (i) and item (ii).

(B) The security firm has at least one (1) year of commercial experience, in the preceding year, with the following:

- (i) Video surveillance system design and installation with remote viewing capability from a secure facility.
- (ii) Owning and operating a security monitoring station with ownership control and use of a redundant offsite backup security monitoring station.
- (iii) Operating a facility that modifies commercial hollow metal doors, frames, and borrowed lights with authorization to apply the Underwriters Laboratories label.

- (4) The name, telephone number, and address of the applicant.
- (5) The name, telephone number, and address of the manufacturing facility.
- (6) The projected output in liters per year of e-liquid of the manufacturing facility.
- (7) The name, telephone number, title, and address of the person responsible for the manufacturing facility.
- (8) Verification that the facility will comply with proper manufacturing processes.
- (9) Written consent allowing the state police department to conduct a state or national criminal history background check on any person listed on the application.
- (10) Written consent allowing the commission, after a permit is issued to the applicant, to enter during normal business hours the premises where the e-liquid is manufactured to conduct physical inspections, sample the product to ensure the e-liquid meets the requirements for e-liquid set forth in this article, and perform an audit.



(11) A nonrefundable initial application fee of one thousand dollars (\$1,000).

(12) Any other information required by the commission for purposes of administering this article."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1386 as printed January 29, 2016.)

ALTING, Chairperson

Committee Vote: Yeas 7, Nays 2.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1386 be amended to read as follows:

Page 17, line 20, after "chapter" insert "**or section 16.8 of this chapter**".

Page 17, line 32, delete "The" and insert "**Except as provided in section 16.3 of this chapter, the**".

Page 23, line 28, delete "clause" and insert "**subdivision**".

(Reference is to EHB 1386 as printed February 26, 2016.)

ALTING

